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REMARKS

The present amendment is responsive to the Office Action dated July 17, 2003, the deadline to which has been extended by two (2) months to December 17, 2003, by payment of the requisite fee, submitted herewith by means of form PTO 2038 transmitted immediately hereafter.

Claims 1 and 12 were rejected under 35 USC §112(2) as being indefinite. As the Examiner will note, the recitation of the form "one of A and B" has been replaced by its equivalent alternative form "A or B", in both claims 1 and 12, as requested. Reconsideration and withdrawal of the indefiniteness rejections are respectfully requested.

Claims 1-7, 9-12 and 14-27 were rejected as being unpatentable over Conway in view of Bone et al. and Fahey. Reconsideration and withdrawal of these obviousness rejections are respectfully requested.

At the outset, the Examiner will note that the claims have been amended so as to remove therefrom all references to "business activity". Instead, the claims refer to manufacturing an item or performing a service.

Moreover, each of the independent claims has been amended so as to recite:

associating each unique cost source identifier to a step carried out while manufacturing the item or while performing the service; and
organizing and storing the cost source identifiers as a hierarchical structure that is modeled on:
a structure of the item manufactured, or
a sequence of operations carried out while performing the service;

as recited in claim 1, and

storing each unique logical structure to create a hierarchical organization of unique logical structures configured to allow the actual cost of the activity to be ascertained at any stage of a performance thereof, the hierarchical organization of logical structures being modeled on a structure of the item manufactured or a sequence of steps carried out while performing the service.

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as recited in claim 12 and 17.

Therefore, each of the independent claims recites creating a hierarchical structure containing the cost source identifiers or unique logical structures, the hierarchical structure being modeled on a structure of the item manufactured or on a sequence of operations or steps carried out while performing the service. The cited combination does not teach or suggest storing cost source identifiers or unique logical structures in a hierarchical organization modeled on the structure of the item manufactured or the sequence of steps of the service performed.

The Office has previously acknowledged that the primary reference to Conway does not disclose that a new unique cost identifier is created and stored upon each occurrence of a transaction that affects the cost of carrying out the activity. The Fahey reference is relied on for its disclosure of "unique identifiers and hierarchical structure". For a teaching of the claimed hierarchical structure, the Office points to Col. 6, line 53 to Col. 7 line 50 as teaching such unique identifiers and hierarchical structure. However, the hierarchical structure disclosed in Fahey at Table 1 is a "related grouping of activity centers within an activity category" Col, 6, lines 59-60. Indeed, inspection of Table 1 at column 7 of this reference reveals that each of the constituent elements in the table is an activity center (which may incur costs). Such activity centers are organized according to the inherent organization of the entity that is carrying out the business function. That is, the organization of the activity centers in Table 1 reflects not the structure of the item manufactured or the sequence of steps or operations being carried out (as now claimed herein), but the underlying organization of the entity that is carrying out the business function (i.e., to which cost center may I assign these costs, such as direct production, plant support activities or division support activities ? - see Col. 6, lines 57-58). The Fahey reference does not teach or suggest such a hierarchical structure modeled on the structure of an

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item manufactured or on a sequence of steps carried out or the benefits to be realized through its use. In fact Fahey not only fails to remedy the shortcomings of the primary reference, but actually teaches away from the present invention by teaching that the hierarchy is based on the organization of the entity that is carrying out the business function rather than the structure of the item manufactured or the sequence of steps of the service performed, as claimed. The claims have been further amended herewith to emphasize this feature.

Independent claims 12 and 17 have been amended with similar limitations.

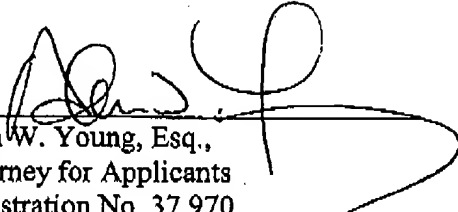
It is respectfully submitted, therefore, that a combination of the Conway, Bone and Fahey patents would not teach or suggest the presently claimed invention to those of ordinary skill. Indeed, the person of ordinary skill would instead be lead to assign costs to activity centers modeled on the underlying organization (production, support, admin, etc. - i.e., the corporate or departmental structure) of the entity performing the manufacturing or service, in contradistinction with the claimed inventions in which the structure of the item manufactured or the sequence of steps provides the model on which the hierarchical structure is based. There is not believed to be any suggestion in any of the constituent references of the applied combination (whether considered singly or in combination) of any hierarchical structures of unique cost source identifiers that are modeled on the structure of an item of manufacture or on a sequence of steps carried out while performing steps or operations of the service performed. The claimed invention as a whole is not taught or suggested by the cited combination. Therefore, reconsideration and withdrawal of the obviousness rejections applied to the claims are respectfully requested.

It is believed that the present amendment overcomes the outstanding rejections and places this application in condition for allowance. Applicant respectfully requests that a timely Notice of Allowance be issued in this case. Should the Examiner have any further questions regarding this

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amendment or the application in general, he need only call the undersigned, and whatever is needed will be done at once.

Respectfully submitted,
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